

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1798 - SB 1814

February 3, 2020

SUMMARY OF BILL: Creates the *Nursing Home Resident Care Monitoring Act*. Requires every nursing home in this state to equip a resident's room with a functioning monitoring device at no cost to the resident for the installation and maintenance of the device if requested to do so, in writing, by the resident or the resident's legal representative. Requires each nursing home to post a sign at the main entrance to the facility and the entrance to each resident's room when monitoring devices are being used. Creates a Class B misdemeanor for any person who intentionally hampers, obstructs, tampers with, or destroys a monitoring device installed in a resident's room in accordance with this part, or a tape or recording made by the monitoring device.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

Exceeds \$1,576,400/FY20-21

Exceeds \$1,013,400/FY21-22 and Subsequent Years

Increase Federal Expenditures –

Exceeds \$3,043,600/FY20-21

Exceeds \$1,956,600/FY21-22 and Subsequent Years

Other Fiscal Impact – An exact impact on local government expenditures cannot be determined with reasonable certainty.

Assumptions:

- There are approximately 27,000 individuals in nursing homes in Tennessee. Approximately 16,500 of those are Medicaid residents. There are approximately 320 nursing homes in Tennessee; 10 are county run facilities and 3 are state run veteran's facilities. This fiscal analysis is based on Medicaid residents only due to a lack of information on funding for state run veteran's facilities; therefore, any increase in state and federal expenditures could exceed the amounts shown in this analysis.
- The cost to purchase and install monitoring device equipment is estimated to be \$200 per resident.
- Of the 16,250 Medicaid residents, it is assumed 50 percent or 8,250 (16,500 x 50.0%), will choose to have monitoring devices installed in their room.

- There is an average of 531 new Medicaid nursing facility residents each month. It is assumed those requesting monitoring devices will inhabit rooms previously equipped with devices or equipment can be transferred to another room at no additional cost.
- The one-time increase in expenditures for the purchase and installation of the devices is estimated to exceed \$1,650,000 (8,250 residents x \$200).
- Medicaid expenditures receive matching funds at a rate of 65.878 percent federal funds to 34.122 percent state funds. Of this amount, \$563,013 ($\$1,650,000 \times 34.122\%$) will be in state funds and \$1,086,987 ($\$1,650,000 \times 65.878\%$) will be in federal funds.
- There will be a \$30 monthly fee per device for data storage and server access. The recurring increase in expenditures is estimated to exceed \$2,970,000 [8,250 residents x (\$30 x 12 months)]. Of this amount, \$1,013,423 ($\$2,970,000 \times 34.122\%$) will be in state funds and \$1,956,577 ($\$2,970,000 \times 65.878\%$) will be in federal funds.
- The total increase in state expenditures is estimated to exceed \$1,576,436 (\$563,013 + \$1,013,423) in FY20-21 and \$1,013,423 in FY21-22 and subsequent years.
- The total increase in federal expenditures is estimated to exceed \$3,043,564 (\$1,086,987 + \$1,956,577) in FY20-21 and \$1,956,577 in FY21-22 and subsequent years.
- Due to unknown factors, such as how many county beds are Medicaid beds, how many residents would opt for monitoring devices, and how many signs would be required per facility, an exact fiscal impact to local government cannot be determined with reasonable certainty.
- There will not be a significant number of Class B misdemeanor prosecutions for state or local governments to experience any significant increase in revenue or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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